

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**
Wednesday, May 18, 2011 – 9:00 a.m. – Room 210 Senate Building

Members Present:

Sen. John L. Valentine, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. Gene Davis
Sen. David P. Hinkins
Sen. Karen Mayne
Sen. Kevin T. Van Tassell
Rep. Jackie Biskupski
Rep. Derek E. Brown
Rep. Melvin R. Brown
Rep. Susan Duckworth
Rep. Gage Froerer
Rep. Francis D. Gibson
Rep. Eric K. Hutchings
Rep. Don L. Ipson
Rep. Todd E. Kiser

Rep. Bradley G. Last
Rep. Michael T. Morley
Rep. Dixon M. Pitcher
Rep. Jennifer M. Seelig
Rep. Larry B. Wiley
Rep. Brad R. Wilson

Members Absent:

Sen. Curtis S. Bramble
Sen. Daniel R. Liljenquist
Rep. Jim Bird

Staff Present:

Mr. Bryant R. Howe, Assistant Director
Ms. Patricia Owen, Associate General Counsel
Mr. Robert H. Rees, Associate General Counsel
Ms. Joy L. Miller, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Dunnigan called the meeting to order at 9:15 a.m. Members of the Committee and staff introduced themselves.

MOTION: Sen. Valentine moved to approve the minutes of the November 17, 2010 meeting. The motion passed unanimously. Sen. Van Tassell and Rep. Gibson were absent for the vote.

Mr. Howe briefly reviewed "Open and Public Meetings Act Summary of Key Provisions," which was sent to the Committee prior to the meeting.

Chair Dunnigan turned the chair over to Sen. Valentine

2. Insurance Amendments

Rep. Dunnigan discussed 2012 General Session draft legislation "Insurance Amendments" (FL-0064/003), which was distributed to the Committee. He noted that the legislation would allow greater flexibility by changing the rate slope to 6:1. He distributed and discussed "Health Insurance Rates" and "Utah Association of Health Underwriters Presentation to the Business and Labor Committee."

Dr. Norman Thurston, Health Reform Implementation Coordinator, Governor's Office, explained that the concerns the Governor had that lead to the veto of 2011 General Session S.B. 294, "Patient Access Reform," have been addressed. He said it is the intent of the Governor's Office that the bill be discussed in a possible upcoming special session.

Mr. Scott Deru, Utah Association of Health Underwriters, said that his association assists employers and individuals to find the best pricing and insurance options. He said they not only pool risk but also make sure that risk is assessed to the appropriate person. He expressed support for the proposed legislation.

Mr. Danny Harris, Associate State Director of Advocacy for AARP, expressed concern with changing the ratio based on age and requested that the ratio remain at 5:1.

Mr. Frank Pignanelli, Regence Blue Cross/Blue Shield, spoke in support of the legislation. He said that if the legislation is passed, rates will be reduced for younger couples, families, and individuals in an effort to get them into the insurance pool.

Ms. Shelley Braun, Utah Health Policy Project, noted that bringing costs down for one group will raise them for another group. She suggested that a study be done to determine how the different groups will be impacted.

MOTION: Rep. Kiser moved to favorably recommend 2012 General Session draft legislation, "Insurance Amendments" (FL-0064/003), for consideration in a proposed future special session. The motion passed unanimously. Rep. Biskupski was absent for the vote.

3. Review of Study Items for the 2011 Interim

Mr. Howe discussed the list of potential study items, sunset reviews, and reports, which was sent to the Committee prior to the meeting. He asked the members to prioritize the issues they would like to study during the interim and give them to staff or the committee chairs.

Chair Valentine requested that the Committee also consider licensing of medical health spas.

4. Health Insurance Mandate Review by the Business and Labor Interim Committee

Ms. Owen discussed "Overview: Legislative Interim Committee Review of Health Insurance Mandates," which was sent to the Committee prior to the meeting. The purpose of the review is to determine whether a health insurance mandate should be continued, modified, or repealed. Ms. Owen distributed a letter from Mr. Neal Gooch, Utah Insurance Commissioner, and a list of Utah health insurance mandates.

Ms. Tanji Northrup, Insurance Department, requested that mandates not be studied this year due to the department's overwhelming workload. She noted, however, that the department would be willing to study any mandates if requested by the Committee to do so.

MOTION: Sen. Davis moved to send a letter from the Committee to the Health System Reform Task Force asking it to consider the health insurance mandates as part of its report to the Committee. The motion passed unanimously. Rep. Biskupski, Rep. Dunnigan, and Rep. Last were absent for the vote.

Sen. Valentine turned the chair over to Rep. Melvin Brown.

5. Technical Changes to 2011 General Session S.B. 314, "Alcoholic Beverage Amendments"

Sen. Valentine discussed Working Draft "Alcoholic Beverage Control Act Amendments" (05/18/2011 8:09 AM), which was distributed to the Committee. He pointed out that the bill would correct some technical errors that resulted in the passage of S.B. 314 during the 2011 General Session.

Rep. Brown turned the chair over to Rep. Dunnigan.

Mr. Earl Dorius, Regulatory Director, Department of Alcoholic Beverage Control, suggested that in order to address the conflict of interest issue, another category of religious use permit should be included. He also asked that the reference to certificate throughout Section 32B-2-209 within the bill be excluded.

MOTION: Sen. Valentine moved to amend the bill as follows:

On line 49 after "permit" delete "." and insert "or"

After line 49 insert "(iii) religious use permit."

On line 54, after "license," insert "or"

On line 55 delete "certificate" and make the same change throughout the remainder of Section 32B-2-209.

The motion passed unanimously. Rep. Biskupski, Rep. Gibson, and Rep. Last were absent for the vote.

MOTION: Rep. Froerer moved to favorably recommend, Working Draft "Alcoholic Beverage Control Act Amendments," as amended. The motion passed unanimously. Rep. Biskupski, Rep. Gibson, and Rep. Last were absent for the vote.

6. Sunset Review - Motor Fuel Marketing Act

Mr. Howe explained that the Committee has the option to recommend the Motor Fuel Marketing Act be reauthorized, repealed, or excluded from the Sunset Act.

Mr. Rees distributed "Overview of Motor Fuel Marketing Act." He discussed below cost sales and discriminatory pricing. He said the statute was last amended in 2001 giving the attorney general direct enforcement authority. The act is scheduled for repeal July 1, 2012.

Mr. Lane Ferguson, Division Chief, Commercial Enforcement Division, Office of the Attorney General, pointed out that the act falls within his division's responsibility.

Mr. Ron Ockey, Assistant Attorney General, Commercial Enforcement Division, distributed a copy of his comments and a letter from the Federal Trade Commission. He recommended that Utah follow the majority of the states, which do not have below cost motor fuel marketing statutes, and allow the Utah Motor Fuel Marketing Act to sunset. Mr. Ockey responded to questions from the Committee.

Mr. Dave Davis, President, Utah Retail Merchants Association and Utah Food Industry Association, stated that the members of his association hold various positions regarding the Motor Fuel Marketing Act. He indicated that retailers he represents can live with whatever decision the Committee makes.

Mr. Gary Thorup, lobbyist for Utah Petroleum Marketers and Retail Association, stressed the importance of a law that promotes competition and low prices today and into the future. He requested the Legislature look at other state policies, alternative fuels, and how reauthorization or sunset of the act will affect the policy of promoting the increase of CNG fuel stations.

7. Other Items / Adjourn

Mr. Kevin Cote, Helmets to Hardhats volunteer, distributed a folder of information on the organization, which is a national, nonprofit program that connects National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry.

MOTION: Rep. Ipson moved to adjourn. The motion passed unanimously. Sen. Van Tassell, Rep. Froerer, Rep. Hutchings, Rep. Kiser, and Rep. Seelig were absent for the vote.

Chair Dunnigan adjourned the meeting at 12:05.